

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1348
ANSWERED ON:08.03.2002
DUTY EVASION BY M/S. FRONTIER TRADING
M.V.V.S MURTHI

Will the Minister of FINANCE be pleased to state:

- (a) whether a importer M/s Frontier Trading of Mumbai imported Japanese made luxury massage mattresses, calling them Magnetic Acupressure Treatment System and evaded customs duty over Rs. 40 crores;
- (b) if so, whether any inquiry has been conducted by the Government in this regard; (
- (c) if so, the outcome thereof; and
- (d) the amount of customs duty recovered from the Frontier Trading in terms of provision 28(2) of Customs Act, 1962 with the other action taken against the company ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a), (b) & (c) : A case of import of Magnetic Mattresses, Quilts and Pillows called Magnetic Acupressure Treatment Instrument was adjudicated by the Commissioner of Customs, Mumbai vide an order, dated 31.08.2001, holding that the goods are classifiable as 'mattresses' under heading 9404.29 of the Customs Tariff. In the order, a sum of Rs.16.02 crores was demanded as duty short levied. The matter was subsequently examined by the Government, and it was found that the goods are appropriately classifiable under heading 9019.10 as 'massage apparatus'. Accordingly, a Circular was issued to this effect on 25.10.2001 so as to bring about uniformity in the assessment practice of the goods.

(d) : Against the order of the Commissioner of Customs, the importer filed an appeal before the CEGAT with an application for grant of stay. The stay has been granted by the hon'ble Tribunal.